

MOTION BY SUPERVISOR DON KNABE

October 25, 2011

The Physician Services for Indigents Program (PSIP) pays physicians for emergency room and trauma care to indigent patients in private hospitals. PSIP helps attract and keep enough doctors to staff the emergency room and trauma unit and specialists to come whenever needed. Without this payment, there might not be enough emergency doctors and specialists for all the patients, insured and uninsured, rich and poor, who need emergency room or trauma unit care.

On September 20th, the Department of Health Services (DHS) told us of a funding shortfall to PSIP which will not allow them to fund the emergency room-related care part of PSIP at its current rate. On its own initiative, Department of Health Services (DHS) froze all emergency room-related care PSIP claims in process for services provided last fiscal year and this fiscal year.

Physicians whose claims were caught in this freeze will not be paid until we approve proposed mid-year rate reductions which this Board has yet to formally receive from DHS, which intends to propose that physicians whose frozen claims were for services rendered last year be paid 33% less than those whose claims have already been processed. This raises a policy question of fairness and equity.

However, the greatest policy concern is this: every day of delay and uncertainty serves to further undermine the already-fragile emergency care safety net which every one of us depends upon in a medical emergency.

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DHS must therefore stop freezing claims and delaying payments, as has been done now and in 2009-10. Physicians providing emergency care should not be subjected to avoidable delays in receiving payment for services they have already provided. DHS should never again recommend interim rates which might deplete the funds available and thus require a claims freeze and mid-year rate reduction. PSIP payments should never be inequitable.

To prevent these things from occurring again, the Board should immediately give the Director of Health Services not only policy direction, but also the necessary authority to reset future payment rates, to unfreeze and process current claims ASAP, and to do what is necessary to never again freeze physician claims or have any part of PSIP run out of money mid-year.

However, along with the Director's expanded authority must come additional accountability. The Director's actions and reasons for them must be transparent - that is, widely communicated to and vetted by impacted physicians, hospitals, and the general public as well as the Board of Supervisors.

Let us act now to protect the emergency care safety net - no more freezes, no more surprises, no more deficits and no more inequitable payments in PSIP.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Instruct the Director of Health Services, in consultation with the CEO to: A) Resume processing of frozen PSIP-ER claims as a matter of urgency; and B) For purposes of fair and equal treatment in paying 2010-11 claims, identify available resources and develop a timeline to equalize the compensation to physicians whose claims for 2010-11 services were processed at the lower interim rate;

2. Authorize the Director of Health Services to reset PSIP interim payment rates in the future, under the condition that the Director's actions must be highly transparent to the Board, impacted, physicians, hospitals, and the general public. The interim rates should include a safety factor to avoid mid-year interim rate reductions and to enable end of year pro-rata supplementary physician payments. To meet the transparency requirement, the Director must conduct a widely-advertised public hearing with advance notice to the Board and the general public before DHS changes the interim payment rate or any other material aspect of PSIP;

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3. Instruct the Director of Health Services, in consultation with the Physician Reimbursement Advisory Committee and the County Emergency Medical Services Commission, to conduct a full post-mortem to: A) find out why the shortfall occurred and took so long to detect and report; and B) to develop and carry out a plan to fix the problems in a lasting way, to include implementing Departmental policies, practices and procedures;

4. Instruct the Director to A) report back regularly and frequently on item #2 until done; B) report back in 90 days on items 2 and 3 above and also on the Department's implementation of the Auditor-Controller's March 11, 2011 PSIP recommendations.

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